

1920 State Teachers' Retirement System

The mission of the California State Teachers' Retirement System (CalSTRS) is: "Securing the financial future and sustaining the trust of California's educators." The CalSTRS' primary responsibility is to provide retirement-related benefits and services to 812,784 (as of June, 2007) active and retired educators in public schools from pre-kindergarten through the community college system.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
10 Service to Members and Employers	570.8	668.8	682.1	\$84,846	\$100,222	\$109,922
15 Corporate Governance	6.0	7.6	7.6	895	1,375	1,409
20 Administration	133.4	170.5	176.1	31,413	67,353	61,118
99 Unclassified (Benefit Payments)	-	-	-	8,173,438	8,879,527	9,628,329
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	710.2	846.9	865.8	\$8,290,592	\$9,048,477	\$9,800,778
FUNDING				2007-08*	2008-09*	2009-10*
0835 Teachers' Retirement Fund				\$8,255,326	\$9,006,607	\$9,756,331
0995 Reimbursements				136	339	339
8001 Teachers' Health Benefits Fund				32,991	35,812	38,240
8005 Teacher's Replacement Benefits Program Fund				1,706	4,990	5,139
8041 Teachers' Deferred Compensation Fund				192	729	729
8046 Teachers' Retirement Program Development Fund				241	-	-
TOTALS, EXPENDITURES, ALL FUNDS				\$8,290,592	\$9,048,477	\$9,800,778

There are non-add General Fund (0001) retirement contributions to CalSTRS in the amounts of \$1,622,917 for 2007-08, \$1,133,077 for 2008-09 and \$1,248,056 for 2009-10 (See 6300 State Teachers' Retirement System Contributions). The expenditures for funds 0835, 8001, and 8005 include unclassified expenditures for benefit payments, which are detailed in the Detail of Appropriations and Adjustments.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Education Code, Title 1, Division 1, Part 13.

DETAILED BUDGET ADJUSTMENTS

	2008-09*			2009-10*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Miscellaneous Baseline Adjustments	\$-	\$214,541	-	\$-	\$949,632	-
• Initial Position Adjustment	-	-	0.1	-	-	0.1
Totals, Other Workload Budget Adjustments	\$-	\$214,541	0.1	\$-	\$949,632	0.1
Totals, Workload Budget Adjustments	\$-	\$214,541	0.1	\$-	\$949,632	0.1
Policy Adjustments						
• Various BCP Adjustments	\$-	\$-	-	\$-	\$13,308	18.9
• Miscellaneous Policy Adjustments	-	81	-	-	3,983	-
Totals, Policy Adjustments	\$-	\$81	-	\$-	\$17,291	18.9
Totals, Budget Adjustments	\$-	\$214,622	0.1	\$-	\$966,923	19.0

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - SERVICE TO MEMBERS AND EMPLOYERS

* Dollars in thousands

1920 State Teachers' Retirement System - Continued

The primary functions of the California State Teachers' Retirement System (CalSTRS) are as follows:

- Maintain a financially sound retirement system.
- Maintain an efficient operational system for the administration of CalSTRS.
- Continuously improve the delivery of benefits, products and services to CalSTRS members.
- Develop and improve upon benefits and products to CalSTRS members.

The Teachers' Retirement Board (Board) has exclusive control over the investment and administration of the Teachers' Retirement Fund. The Board makes rules, sets policies, and has the power and authority to hear and determine all facts pertaining to application for benefits under the retirement system. The twelve-member Board consists of four ex-officio members, including the Superintendent of Public Instruction, the State Treasurer, the State Controller, and the Director of Finance. The Governor-appointed members of the Board include three Public Members, one retiree of CalSTRS, one school board member or community college trustee. Three representatives are elected by active CalSTRS members.

Income to the CalSTRS is derived from contributions from members and employing school districts, appropriations from the General Fund, and investment earnings (see 6300-Teachers' Retirement System Contributions for state contributions for benefits). The cost of administration is paid from the Teachers' Retirement Fund as provided in Section 22304 of the Education Code.

The CalSTRS is responsible for the determination and payment of benefits to members, retirees, and their beneficiaries, and for the distribution of information to all members, employers, and other interested groups. The CalSTRS Defined Benefit Program includes service retirement, benefits for survivors, and disability benefits. The basic retirement allowance is determined on the basis of a member's age, years of credited service, and final compensation. The member may modify the basic allowance by selecting a joint and survivor annuity option to provide benefits for their beneficiary after the member dies. Generally, the payments of benefits are made within 30 days following the effective date of the member's retirement.

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	710.2	895.0	895.0	\$44,667	\$56,784	\$58,084
Total Adjustments	-	-	20.0	-	-	1,542
Estimated Salary Savings	-	-48.1	-49.2	-	-3,007	-3,161
Net Totals, Salaries and Wages	710.2	846.9	865.8	\$44,667	\$53,777	\$56,465
Staff Benefits	-	-	-	18,200	23,037	24,668
Totals, Personal Services	710.2	846.9	865.8	\$62,867	\$76,814	\$81,133
OPERATING EXPENSES AND EQUIPMENT				\$54,287	\$92,136	91,316
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$117,154	\$168,950	\$172,449
4 Unclassified						
Teachers' Retirement Benefits				\$8,139,043	\$8,839,105	\$9,585,330
Teachers' Health Benefits				32,689	35,432	37,860
Teachers' Replacement Benefits				1,706	4,990	5,139
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)				\$8,173,438	\$8,879,527	\$9,628,329

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2007-08*	2008-09*	2009-10*
0001 General Fund			
APPROPRIATIONS			
011 Budget Act appropriation	(\$1,122,917)	(\$1,133,077)	(\$1,248,056)
)))
Revised estimate per Provision 1	(500,000)	(-)	-
TOTALS, EXPENDITURES	\$-	\$-	\$-
TOTALS, GENERAL FUND EXPENDITURES	\$-	\$-	\$-
0835 Teachers' Retirement Fund			
APPROPRIATIONS			

* Dollars in thousands

1920 State Teachers' Retirement System - Continued

1 STATE OPERATIONS	2007-08*	2008-09*	2009-10*
001 Budget Act appropriation	\$134,143	\$168,840	\$160,440
002 Budget Act appropriation	(104,726)	(172,113)	(228,609)
Revised estimate per Provision 1	(110,999)	(43,556)	-
Education Code Section 22954	63	63	63
Education Code Section 22307 (Corporate Governance)	896	-	-
Education Code Section 22307 (Admin Costs)	-	1,375	1,409
Prior year balances available:			
Item 1920-001-0835, Budget Act of 2006 as reappropriated by Item 1920-490, Budget Act of 2007	3,476	2,289	-
Item 1920-001-0835, Budget Act of 2007 as reappropriated by Item 1920-490, Budget Act of 2008	-	4,024	4,024
Item 1920-001-0835, Budget Act of 2008 as reappropriated by Item 1920-490, Budget Act of 2009	-	-	5,065
Chapter 442, Statutes of 2004	5	-	-
Chapter 935, Statutes of 2004	11	-	-
Chapter 654, Statutes of 2006	237	39	-
Totals Available	\$138,831	\$176,630	\$171,001
Unexpended balance, estimated savings	-16,196	-39	-
Balance available in subsequent years	-6,352	-9,089	-
TOTALS, EXPENDITURES	\$116,283	\$167,502	\$171,001
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$136	\$339	\$339
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Administration Expenses)	\$302	\$380	\$380
TOTALS, EXPENDITURES	\$302	\$380	\$380
8041 Teachers' Deferred Compensation Fund			
APPROPRIATIONS			
Education Code Section 24976 (403(b) Vendor Registry Operating Account)	\$192	\$729	\$729
TOTALS, EXPENDITURES	\$192	\$729	\$729
8046 Teachers' Retirement Program Development Fund			
APPROPRIATIONS			
Education Code Section 22307.5(a)	\$241	\$-	\$-
TOTALS, EXPENDITURES	\$241	\$-	\$-
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$117,154	\$168,950	\$172,449
4 UNCLASSIFIED			
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
Education Code Section 24202 (Benefit Payments)	\$7,591,680	\$-	\$-
Education Code Section 24414 (Benefit Payments)	-	8,249,366	8,964,083
Education Code Sections 24412 and 24417 (Purchasing Power Benefit Payments)	229,860	-	-
Education Code Section 24417 (Purchasing Power Benefit Payments)	-	267,000	280,000
Education Code Section 22307 (Administrative Costs)	317,503	322,739	341,247
TOTALS, EXPENDITURES	\$8,139,043	\$8,839,105	\$9,585,330
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Benefit Payments)	\$32,689	\$35,432	\$37,860
TOTALS, EXPENDITURES	\$32,689	\$35,432	\$37,860

* Dollars in thousands

1920 State Teachers' Retirement System - Continued

4 UNCLASSIFIED	2007-08*	2008-09*	2009-10*
8005 Teacher's Replacement Benefits Program Fund			
APPROPRIATIONS			
Education Code Section 24255 (Benefit Payments)	\$1,706	\$4,990	\$5,139
TOTALS, EXPENDITURES	\$1,706	\$4,990	\$5,139
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$8,173,438	\$8,879,527	\$9,628,329
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$8,290,592	\$9,048,477	\$9,800,778

FUND CONDITION STATEMENTS

	2007-08*	2008-09*	2009-10*
0835 Teachers' Retirement Fund ^N			
BEGINNING BALANCE	\$164,957,911	\$161,506,044	\$158,882,202
Prior year adjustments	<u>7,422,558</u>	-	-
Adjusted Beginning Balance	\$172,380,469	\$161,506,044	\$158,882,202
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income From Investments:	6,718	4,880	5,300
Purchasing Power Receipts (State Lands Royalties)			
Other Investment Income	-9,641,854	12,942	12,783
221000 Member Contributions	2,511,810	2,579,880	2,649,795
299000 State Contribution (Benefits Funding)	501,416	535,603	563,121
299000 Purchasing Power Receipts (SBMA)	1,121,501	597,474	684,935
299000 Purchasing Power Receipts (SBMA) Federal			
299000 Employer Contributions	2,453,268	2,582,065	2,717,623
299000 Other Receipts	213,116		
299000 Securities Lending Income (Net)	<u>214,926</u>	<u>70,000</u>	<u>70,000</u>
Total Revenues, Transfers, and Other Adjustments	<u>-\$2,619,099</u>	<u>\$6,382,844</u>	<u>\$6,703,557</u>
Total Resources	\$169,761,370	\$167,888,888	\$165,585,759
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	-	79	-
1920 State Teachers' Retirement System			
State Operations	116,283	167,502	171,001
Unclassified	8,139,043	8,839,105	9,585,330
Benefits:			
Retired Benefits	(6,965,450)	(7,568,658)	(8,224,104)
Disability Family Benefits	(160,750)	(173,835)	(187,985)
Survivor Benefits	(373,055)	(406,033)	(441,926)
Death Benefits	(92,387)	(100,840)	(110,067)
Subvention Payments	(38)		
Purchasing Power Payments (SBMA and State Lands Royalties)	(229,860)	(267,000)	(280,000)
Other:			
Investment Advisors	(215,725)	(215,669)	(228,609)
Refunds	(101,778)	(107,070)	(112,638)
Transfer to Other Agencies			
Total Expenditures and Expenditure Adjustments	<u>\$8,255,326</u>	<u>\$9,006,686</u>	<u>\$9,756,331</u>
FUND BALANCE	\$161,506,044	\$158,882,202	\$155,829,428
8001 Teachers' Health Benefits Fund ^N			
BEGINNING BALANCE	\$3,593	\$4,143	\$3,545
Prior year adjustments	173	-	-

* Dollars in thousands

1920 State Teachers' Retirement System - Continued

	2007-08*	2008-09*	2009-10*
Adjusted Beginning Balance	\$3,766	\$4,143	\$3,545
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Contributions	33,239	35,004	36,863
250300 Other Receipts	205	210	210
Total Revenues, Transfers, and Other Adjustments	<u>\$33,444</u>	<u>\$35,214</u>	<u>\$37,073</u>
Total Resources	\$37,210	\$39,357	\$40,618
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	76	-	-
1920 State Teachers' Retirement System			
State Operations	302	380	380
Unclassified	32,689	35,432	37,860
Total Expenditures and Expenditure Adjustments	<u>\$33,067</u>	<u>\$35,812</u>	<u>\$38,240</u>
FUND BALANCE	\$4,143	\$3,545	\$2,378
8005 Teacher's Replacement Benefits Program Fund ^N			
BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Employer Contributions	\$1,706	\$4,990	\$5,139
Total Revenues, Transfers, and Other Adjustments	<u>\$1,706</u>	<u>\$4,990</u>	<u>\$5,139</u>
Total Resources	\$1,706	\$4,990	\$5,139
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (Unclassified)	1,706	4,990	5,139
Total Expenditures and Expenditure Adjustments	<u>\$1,706</u>	<u>\$4,990</u>	<u>\$5,139</u>
FUND BALANCE	-	-	-
8041 Teachers' Deferred Compensation Fund ^N			
BEGINNING BALANCE	-	\$627	\$463
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
250300 Income from Surplus Money Investment Fund	\$26	20	20
299000 Other Receipts	251	545	545
309420 Transfer from Other Funds	335		
Transfers and Other Adjustments:			
FO8046 From Teachers' Retirement Program Development Fund per Education Code Section 24976(a)(b)	207		
Total Revenues, Transfers, and Other Adjustments	<u>\$819</u>	<u>\$565</u>	<u>\$565</u>
Total Resources	\$819	\$1,192	\$1,028
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (State Operations)	192	729	729
Total Expenditures and Expenditure Adjustments	<u>\$192</u>	<u>\$729</u>	<u>\$729</u>
FUND BALANCE	\$627	\$463	\$299
8046 Teachers' Retirement Program Development Fund ^N			
BEGINNING BALANCE	\$198	-	-
Prior year adjustments	2	-	-
Adjusted Beginning Balance	<u>\$200</u>	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			

* Dollars in thousands

1920 State Teachers' Retirement System - Continued

	2007-08*	2008-09*	2009-10*
Revenues:			
216000 Fees			
221600 Employer Contributions	245		
250300 Income from Surpluse Money Investment Fund	3		
Transfers and Other Adjustments:			
To8041 To Teachers' Deferred Compensation Fund per Education Code Section 24976(a)(b)	-207	-	-
Total Revenues, Transfers, and Other Adjustments	\$41	-	-
Total Resources	\$241	-	-
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (State Operations)	241	-	-
Total Expenditures and Expenditure Adjustments	\$241	-	-
FUND BALANCE	-	-	-
Reserve for Repayment to the Teachers' Retirement Fund			
Unreserved-Undesignated			
